

## OVERVIEW OF BUDGET

**DEPARTMENT: TREASURER-TAX COLLECTOR**  
**TREASURER-TAX COLLECTOR: RICHARD LARSEN**

2003-04				
	<u>Appropriations</u>	<u>Revenue</u>	<u>Local Cost</u>	<u>Staffing</u>
Treasurer-Tax Collector	6,827,614	5,157,548	1,670,066	66.5
Central Collections	7,932,320	7,932,320	-	93.5
<b>TOTAL</b>	<b>14,759,934</b>	<b>13,089,868</b>	<b>1,670,066</b>	<b>160.0</b>

**BUDGET UNIT: TREASURER-TAX COLLECTOR (AAA TTX)**

### I. GENERAL PROGRAM STATEMENT

The Treasurer-Tax Collector has two distinct functions: the collection of property taxes and the treasury function. The tax collection function involves the collection and accounting of property taxes for all taxing entities in the county. This currently amounts to more than \$1.0 billion in property taxes, plus county licenses and other fees. The Treasurer is also responsible for the investment of the county investment pool, which includes county funds and all school districts within the county, as well as providing banking services for these agencies. The Treasurer currently manages assets of over \$2.0 billion.

### II. BUDGET & WORKLOAD HISTORY

	<u>Actual 2001-02</u>	<u>Budget 2002-03</u>	<u>Actual 2002-03</u>	<u>Budget 2003-04</u>
Total Requirements	6,574,194	6,273,423	6,473,242	6,827,614
Total Revenue	4,075,854	4,160,138	4,812,657	5,157,548
Local Cost	2,498,340	2,113,285	1,660,585	1,670,066
Budgeted Staffing		66.5		66.5
<b><u>Workload Indicators</u></b>				
Tax bills sent Out:				
Annual Secured	701,205	705,000	704,219	711,000
Annual Unsecured	41,770	42,000	42,903	41,000
Supplementals	89,013	62,000	92,003	64,000
Total	831,988	809,000	839,125	816,000
Tax charges (in millions):				
Annual Secured	1,027	1,070	1,113	1,221
Annual Unsecured	69	70	73	77
Supplementals	50	33	54	34
Total	1,146	1,173	1,240	1,332
Phone Calls (Interactive Voice Response System)*	267,000	289,000	318,688	300,000
Tax Sale Parcels Sold*	1,165	1,600	3,378	4,700
Checks Deposited*	2,225,949	Not Available	2,399,275	2,410,000
Warrants Processed*	2,297,246	Not Available	2,275,821	2,367,000
Assets Managed (in thousands) (as of Dec. 31)*	2,170,907	Not Available	2,233,072	2,250,000

\*First time included in budget book.

Actual costs for 2002-03 are over budget by \$199,819. Costs for title search, auction and advertising costs related to two tax sales exceeded the 2002-03 budget due to efforts to accelerate the number of properties offered at tax sales. These costs were offset by increased revenue (see below).

The majority of the actual 2002-03 revenue increases over budget are due to the increase in tax sale revenues (\$693,000), increased assessment and tax collection fees (\$80,000) and increased collection fees from unsecured delinquent parcels (\$52,000). The Treasurer-Tax Collector originally budgeted to sell approximately 1,600 properties at tax sales but actually sold approximately 3,400 properties. These estimated revenue increases over budget are partially offset by an expected decrease in administrative charges to the Treasury Pool resulting from an analysis of its costs.

## TREASURER-TAX COLLECTOR

### III. HIGHLIGHTS OF BOARD APPROVED CHANGES TO BUDGET (see attachments for detailed changes)

#### STAFFING CHANGES

None.

#### PROGRAM CHANGES

An increased interest in real estate ownership by the public, as a result of the decline in the stock market along with historical low interest rates, has caused the number of properties sold at tax sales to skyrocket. In addition, being able to purchase properties using the Internet (one sale in 2002-03 and two planned in 2003-04) has increased participation at tax sales. Based on the success of tax sales in 2002-03, the County Treasurer-Tax Collector intends to continue to aggressively return tax-defaulted properties to the tax roll through the tax sales in 2003-04. The department plans to auction approximately 5,500 properties in 2003-04. The increased emphasis on tax sales will result in an increase to the department's services and supplies expenses (all of which are reimbursable through tax sale fees). Specifically, title search and auction/advertising costs are expected to be approximately \$386,000 higher than the 2002-03 budget and tax sale postage and other costs are expected to be approximately \$46,000 higher than the 2002-03 budget.

GROUP: Fiscal			FUNCTION: General		
DEPARTMENT: Treasurer-Tax Collector			ACTIVITY: Finance		
FUND: General AAA TTX					
	2002-03 Actuals	2002-03 Approved Budget	2003-04 Board Approved Base Budget	2003-04 Board Approved Changes to Base Budget	2003-04 Final Budget
<b><u>Appropriation</u></b>					
Salaries and Benefits	3,238,522	3,486,873	3,756,700	56,412	3,813,112
Services and Supplies	2,767,341	2,319,171	2,290,967	600,219	2,891,186
Central Computer	609,159	609,159	659,670	-	659,670
Transfers	-	-	-	116,529	116,529
Total Exp. Authority	6,615,022	6,415,203	6,707,337	773,160	7,480,497
Reimbursements	(341,780)	(341,780)	(675,554)	22,671	(652,883)
Total Appropriation	6,273,242	6,073,423	6,031,783	795,831	6,827,614
Operating Transfer Out	200,000	200,000	200,000	(200,000)	-
Total Requirement	6,473,242	6,273,423	6,231,783	595,831	6,827,614
<b><u>Revenue</u></b>					
Licenses and Permits	750	1,000	1,000	-	1,000
Taxes	248,120	245,000	245,000	12,000	257,000
Current Services	2,642,421	1,817,138	2,240,717	933,871	3,174,588
State, Fed or Gov't Aid	273	22,000	-	-	-
Other Revenue	1,921,093	2,075,000	2,075,000	(350,040)	1,724,960
Total Revenue	4,812,657	4,160,138	4,561,717	595,831	5,157,548
Local Cost	1,660,585	2,113,285	1,670,066	-	1,670,066
Budgeted Staffing		66.5	66.5		66.5

## TREASURER-TAX COLLECTOR

Total Changes Included in Board Approved Base Budget		
Salaries and Benefits	94,878	MOU.
	170,655	Retirement.
	4,294	Risk Management Workers' Comp.
	<u>269,827</u>	
Services and Supplies	(6,204)	Risk Management Liabilities.
	(22,000)	Loss of SB90 revenue.
	<u>(28,204)</u>	
Central Computer	<u>50,511</u>	
Reimbursements	(333,516)	30% Cost Reduction Plan.
	(258)	Incremental Change in EHAP.
	<u>(333,774)</u>	
<b>Revenue</b>		
Current Services	339,048	30% Cost Reduction Plan.
	84,531	4% Spend Down Plan.
	<u>423,579</u>	
State, Fed or Gov't Aid	<u>(22,000)</u>	Loss of SB90 revenue.
Total Requirement Change	(41,640)	
Total Revenue Change	401,579	
Total Local Cost Change	(443,219)	
Total 2002-03 Requirement	6,273,423	
Total 2002-03 Revenue	4,160,138	
Total 2002-03 Local Cost	2,113,285	
Total Base Budget Requirement	6,231,783	
Total Base Budget Revenue	4,561,717	
Total Base Budget Local Cost	1,670,066	

The Treasurer-Tax Collector expects to meet its 30% cost reductions plan through increased cost reimbursements from tax sale revenues and reimbursements from Central Collections.

Board Approved Changes to Base Budget		
Salaries and Benefits	<u>56,412</u>	Increase in salary and benefits for budgeted step increases and paid vacation and administrative leave.
Services and Supplies	443,787	Increases in costs related to tax sales (title search, auction, advertising, postage and other costs).
	138,000	Increases in system development and distributed DP equipment charges.
	5,219	Net increase in all other costs.
	(11,787)	GASB 34 Accounting Change EHAP.
	25,000	Increased for Board Approved fees during budget hearings
	<u>600,219</u>	
Transfers	105,000	Bank reconciliation fees paid to Auditor/Controller (\$105,000) and other employee programs.
	(258)	Correction of previous accounting error.
	11,787	GASB 34 Accounting Change EHAP.
	<u>116,529</u>	
Reimbursement	258	Correction of previous accounting error.
	22,413	Adjustment for administration cost.
	<u>22,671</u>	
Operating Transfers Out	<u>(200,000)</u>	Decrease for expenses related to a remodel of the County Treasurer's Offices in 2002-03.
Total Requirement	<u>595,831</u>	
Revenue		
Taxes	<u>12,000</u>	Increase in penalties on taxes.
Current Services	<u>933,871</u>	Increase in the tax sale revenues, assessment and tax collection fees and unsecured tax collection fees.
Other Revenue	(365,040)	Decrease in administrative charges to Treasury Pool related to remodel of the County Treasurer's Offices in 2002-03 and analysis of data processing charges.
	15,000	Other increases.
	<u>(350,040)</u>	
Total Revenue	<u>595,831</u>	
Local Cost	<u>-</u>	